

**CITY OF BISMARCK EMPLOYEES PENSION FUND
INVESTMENT PERFORMANCE REPORT AS OF JULY 31, 2007**

	July-07				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation	Month	Net ROR	Fiscal YTD	FY07	Ended	Ended
		Actual	Policy	Net ROR	Net ROR	Net ROR	6/30/2007	6/30/2007
							Net	Net
LARGE CAP DOMESTIC EQUITY								
<i>Structured Growth</i>								
LA Capital	1,365,920	2.7%	2.7%	-3.21%	-3.21%	21.75%	13.79%	N/A
Total Structured Growth	1,365,920	2.7%	2.7%	-3.21%	-3.21%	21.75%	13.79%	11.59%
Russell 1000 Growth				-1.55%	-1.55%	19.04%	8.70%	9.28%
<i>Structured Value</i>								
LSV	1,542,975	3.0%	3.0%	-4.79%	-4.79%	23.29%	19.11%	16.46%
Russell 1000 Value				-4.62%	-4.62%	21.87%	15.93%	13.31%
<i>Enhanced Russell 1000 Index</i>								
LA Capital	1,431,436	2.8%	2.8%	-3.82%	-3.82%	20.43%	13.31%	11.77%
Russell 1000				-3.09%	-3.09%	20.43%	12.34%	11.33%
<i>Enhanced S&P 500 Index</i>								
Northern Trust	1,298,305	2.5%	2.6%	-3.90%	-3.90%	19.26%	11.40%	10.53%
Westridge	1,689,045	3.3%	2.6%	-1.62%	-1.62%	21.05%	12.00%	11.00%
Wells Capital	1,090,126	2.1%	2.0%	-4.75%	-4.75%	30.71%	N/A	N/A
Franklin	966,843	1.9%	2.0%	-4.38%	-4.38%	N/A	N/A	N/A
Total Enhanced S&P 500 Index	5,044,319	8.0%	9.2%	-3.43%	-3.43%	21.56%	11.94%	11.24%
S&P 500				-3.10%	-3.10%	20.59%	11.68%	10.71%
<i>Absolute Return Strategy</i>								
Epoch	272,587	0.5%	0.9%	N/A	N/A	N/A	N/A	N/A
S&P 500				-3.10%	-3.10%			
<i>S&P 500 Index</i>								
State Street	674,996	1.3%	1.4%	-4.08%	-4.08%	21.86%	12.41%	11.15%
S&P 500				-3.10%	-3.10%	20.59%	11.68%	10.71%
TOTAL LARGE CAP DOMESTIC EQUITY	10,332,233	20.2%	20.0%	-3.70%	-3.70%	21.66%	13.61%	12.15%
S&P 500				-3.10%	-3.10%	20.59%	11.68%	10.71%
SMALL CAP DOMESTIC EQUITY								
<i>Manager-of-Managers</i>								
SEI	4,472,721	8.8%	8.6%	-7.14%	-7.14%	17.13%	13.31%	14.32%
Russell 2000 + 200bp				-6.67%	-6.67%	18.76%	15.72%	16.16%
Callan	1,835,802	3.6%	3.4%	-5.30%	-5.30%	21.00%	N/A	N/A
Russell 2000				-6.84%	-6.84%	16.44%		
TOTAL SMALL CAP DOMESTIC EQUITY	6,308,522	12.4%	12.0%	-6.60%	-6.60%	17.89%	13.50%	14.44%
Russell 2000				-6.84%	-6.84%	16.44%	13.45%	13.88%
INTERNATIONAL EQUITY								
<i>Large Cap - Core</i>								
State Street	562,073	1.1%	1.1%	-1.25%	-1.25%	27.82%	20.73%	15.09%
MSCI EAFE (1)				-1.47%	-1.47%	27.00%	20.77%	14.70%
<i>Large Cap - Active</i>								
Capital Guardian	1,707,197	3.3%	3.3%	-1.97%	-1.97%	26.04%	21.52%	14.83%
LSV	1,696,932	3.3%	3.3%	-1.92%	-1.92%	29.94%	N/A	N/A
Bank of Ireland	568,249	1.1%	1.1%	-1.49%	-1.49%	25.29%	19.70%	13.72%
Total Large Cap - Active	3,972,378	7.8%	7.7%	-1.88%	-1.88%	27.58%	22.64%	15.45%
MSCI EAFE - 50% Hedged				-2.31%	-2.31%	26.94%	22.55%	15.71%
<i>Small Cap - Active</i>								
Lazard	556,249	1.1%	1.1%	0.24%	0.24%	24.18%	22.99%	21.28%
Wellington	578,046	1.1%	1.1%	0.13%	0.13%	26.62%	20.49%	21.40%
Total Small Cap - Active	1,134,295	2.2%	2.2%	0.18%	0.18%	25.39%	21.75%	21.34%
Citigroup Broad Market Index < \$2BN				1.20%	1.20%	28.60%	26.33%	25.39%
TOTAL INTERNATIONAL EQUITY	5,668,747	11.1%	11.0%	-1.41%	-1.41%	27.21%	22.14%	16.66%
MSCI EAFE - 50% Hedged				-2.31%	-2.31%	26.94%	22.55%	15.71%
EMERGING MARKETS EQUITY								
<i>Core</i>								
JP Morgan	204,455	0.4%	0.3%	2.34%	2.34%	46.07%	N/A	N/A
PanAgora	204,282	0.4%	0.3%	6.13%	6.13%	46.34%	N/A	N/A
WestLB	205,605	0.4%	0.3%	6.60%	6.60%	42.11%	N/A	N/A
UBS	350,279	0.7%	0.6%	3.44%	3.44%	42.04%	N/A	N/A
Total Core	964,620	1.9%	1.6%	4.42%	4.42%	43.90%	37.74%	29.07%
MSCI Emerging Markets				5.33%	5.33%	45.45%	38.67%	21.67%
<i>Small Cap</i>								
DFA	228,630	0.4%	0.4%	4.80%	4.80%	68.14%	N/A	N/A
MSCI Emerging Markets				5.33%	5.33%	45.45%		
TOTAL EMERGING MARKETS EQUITY	1,193,250	2.3%	2.0%	4.49%	4.49%	48.23%	38.70%	29.61%
MSCI Emerging Markets				5.33%	5.33%	45.45%	38.67%	30.66%
DOMESTIC FIXED INCOME								
<i>Core Bond</i>								
Western Asset	1,652,117	3.2%	3.1%	0.35%	0.35%	7.00%	4.29%	5.59%
Lehman Aggregate				0.83%	0.83%	6.12%	3.98%	4.48%
<i>Index</i>								
Bank of ND	2,962,459	5.8%	7.3%	1.07%	1.07%	5.69%	3.78%	4.49%
Total Index	2,962,459	5.8%	7.3%	1.07%	1.07%	5.69%	3.92%	4.50%
Lehman Gov/Credit				1.00%	1.00%	6.00%	3.84%	4.69%
<i>Convertibles</i>								
Calamos (2)	1,693,448	3.3%	3.1%	-2.22%	-2.22%	N/A	N/A	N/A
Total Convertibles	1,693,448	3.3%	3.1%	-2.22%	-2.22%	12.55%	5.57%	3.31%
Merrill Lynch All Convertibles (3)				-2.40%	-2.40%	15.38%	8.30%	10.89%
<i>BBB Average Quality</i>								
Wells Capital	1,639,325	3.2%	3.1%	-0.14%	-0.14%	9.12%	5.96%	6.71%
Lehman BBB				-0.06%	-0.06%	7.54%	4.47%	6.43%

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		Actual	Policy	Net ROR	Net ROR	Net ROR	6/30/2007	6/30/2007
							Net	Net
Private Debt								
Prudential	1,665,586	3.3%	3.1%	0.62%	0.62%	7.16%	N/A	N/A
Lehman Aggregate				0.83%	0.83%	6.12%		
Timberland								
TIR - Teredo (4)	1,303,583	2.6%	2.6%	-0.06%	-0.06%	26.95%	12.73%	12.23%
TIR - Springbank	2,759,921	5.4%	5.4%	-0.02%	-0.02%	26.90%	N/A	N/A
Total Timberland	4,063,504	8.0%	8.0%	-0.04%	-0.04%	27.33%	26.21%	20.09%
NCREIF Timberland Index				0.76%	0.76%	11.89%	15.17%	11.37%
Infrastructure								
JP Morgan	682,895	1.3%	1.3%	-1.03%	-1.03%	N/A	N/A	N/A
TOTAL DOMESTIC FIXED INCOME	14,359,334	28.1%	29.0%	0.03%	0.03%	12.52%	11.43%	10.17%
Lehman Aggregate				0.83%	0.83%	6.12%	3.98%	4.48%
HIGH YIELD BONDS								
Core								
Loomis Sayles	1,424,649	2.8%	2.8%	-3.40%	-3.40%	13.37%	11.25%	N/A
Sutter/Wells Capital	1,426,897	2.8%	2.8%	-7.54%	-7.54%	9.82%	8.02%	N/A
Total Core	2,851,546	5.6%	5.7%	-5.44%	-5.44%	11.59%	9.63%	5.67%
LB High Yield 2% Issuer Contstrained Index				-3.48%	-3.48%	11.22%	8.70%	N/A
Mezzanine Debt								
Goldman Sachs	69,585	0.1%	0.1%	-0.14%	-0.14%	7.39%	N/A	N/A
TCW	104,102	0.2%	0.2%	N/A	N/A	N/A	N/A	N/A
Total Mezzanine Debt	173,688	0.3%	0.3%	-0.14%	-0.14%	7.39%	N/A	N/A
LB High Yield 2% Issuer Contstrained Index				-3.48%	-3.48%	11.22%		
TOTAL HIGH YIELD BONDS	3,025,234	5.9%	6.0%	-5.37%	-5.37%	11.62%	9.64%	11.24%
LB High Yield 2% Issuer Contstrained Index				-3.48%	-3.48%	11.22%	8.77%	11.75%
INTERNATIONAL FIXED INCOME								
International Sovereign								
UBS Global (Brinson)	2,156,173	4.2%	4.8%	3.18%	3.18%	0.21%	2.69%	6.66%
Citigroup Non-US Gov't Bond Index (5)				3.31%	3.31%	2.22%	3.23%	6.89%
International Core								
Brandywine	2,235,504	4.4%	4.8%	1.59%	1.59%	6.63%	7.38%	N/A
Lehman Global Aggregate (ex-US)				2.79%	2.79%	3.78%	5.22%	N/A
TOTAL INTERNATIONAL FIXED INCOME	4,391,677	8.6%	9.5%	2.36%	2.36%	3.41%	5.03%	8.23%
Citigroup Non-US Gov't Bond Index (5)				3.31%	3.31%	2.22%	3.27%	6.92%
REAL ESTATE								
INVESTCO	2,205,299			-0.04%	-0.04%	14.44%	N/A	N/A
J.P. Morgan Strategic & Special Funds	2,284,932			-0.09%	-0.09%	19.72%	20.09%	15.71%
J.P. Morgan Alternative Property Fund	537,964			-0.33%	-0.33%	6.70%	N/A	N/A
TOTAL REAL ESTATE	5,028,195	9.9%	9.5%	-0.09%	-0.09%	15.47%	20.09%	15.71%
NCREIF TOTAL INDEX				1.51%	1.51%	17.24%	17.83%	14.30%
ALTERNATIVE INVESTMENTS								
Coral Partners V	11,568			0.00%	0.00%	-1.78%	-4.71%	-14.30%
Coral Partners V - Supplemental	1,639			0.00%	0.00%	8.49%	3.75%	0.86%
Coral Momentum Fund (Formerly Fund VI)	38,889			0.00%	0.00%	-16.26%	-8.10%	N/A
Brinson 1998 Partnership Fund	2,662			0.00%	0.00%	31.02%	22.24%	11.25%
Brinson 1999 Partnership Fund	6,750			0.00%	0.00%	19.95%	14.43%	7.53%
Brinson 2000 Partnership Fund	18,550			0.00%	0.00%	13.52%	18.72%	9.86%
Brinson 2001 Partnership Fund	15,454			0.00%	0.00%	15.81%	13.02%	7.67%
Brinson 2002 Partnership Fund	8,690			0.00%	0.00%	11.10%	12.11%	11.95%
Brinson 2003 Partnership Fund	2,927			0.00%	0.00%	34.38%	19.70%	N/A
Total Brinson Partnership Funds	55,033			0.00%	0.00%	16.34%	16.34%	10.08%
Brinson 1999 Non-US Partnership Fund	3,585			0.00%	0.00%	111.26%	57.67%	39.95%
Brinson 2000 Non-US Partnership Fund	7,010			0.00%	0.00%	55.10%	34.26%	25.05%
Brinson 2001 Non-US Partnership Fund	5,355			0.00%	0.00%	7.81%	14.42%	11.71%
Brinson 2002 Non-US Partnership Fund	10,797			0.00%	0.00%	88.98%	43.24%	29.72%
Brinson 2003 Non-US Partnership Fund	9,490			0.00%	0.00%	76.59%	33.38%	N/A
Brinson 2004 Non-US Partnership Fund	3,577			0.00%	0.00%	23.98%	15.75%	N/A
Total Brinson Non-US Partnership Fund	39,815			0.00%	0.00%	62.33%	35.68%	25.84%
Brinson BVCF IV	32,231			0.00%	0.00%	-3.23%	10.47%	6.87%
Adams Street Direct Co-investment Fund	15,978			0.00%	0.00%	N/A	N/A	N/A
Matlin Patterson Global Opportunities	24,738			0.00%	0.00%	10.95%	25.72%	N/A
Matlin Patterson Global Opportunities II	53,508			0.00%	0.00%	37.09%	N/A	N/A
Matlin Patterson Global Opportunities III	1,357			0.00%	0.00%	N/A	N/A	N/A
InvestAmerica	9,284			0.00%	0.00%	13.96%	-2.58%	-5.68%
Hearthstone MSII	0			0.00%	0.00%	-95.85%	-100.00%	-100.00%
Hearthstone MSIII	4,991			0.00%	0.00%	208.65%	79.05%	N/A
Corsair III	6,758			0.00%	0.00%	N/A	N/A	N/A
Quantum Resources	6,699			0.00%	0.00%	N/A	N/A	N/A
Quantum Energy Partners	1,541			0.00%	0.00%	N/A	N/A	N/A
TOTAL ALTERNATIVE INVESTMENTS (6)	304,027	0.6%	1.0%	0.00%	0.00%	16.97%	15.16%	7.27%
CASH EQUIVALENTS								
Northern Trust STIF/STEP	422,250	0.8%	0.0%	0.33%	0.33%	5.25%	3.91%	3.00%
90 Day T-Bill				0.39%	0.39%	5.21%	3.78%	2.76%
TOTAL FUND	51,033,468	100.0%	100.0%	-1.78%	-1.78%	17.02%	13.27%	12.12%
POLICY TARGET BENCHMARK				-1.24%	-1.24%	13.28%	9.19%	9.04%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) This benchmark was changed to the MSCI EAFE (unhedged) as of December 1, 2004.

(2) TCW was terminated on September 22, 2006. The portfolio was transferred to Calamos on October 5, 2006.

(3) Prior to January 1, 2005, the benchmark was the First Boston Convertible Index.

(4) Prior to June 1, 2006, the Toledo properties were under the management of RMK.

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						Net	Net

(5) Previously this benchmark was titled Salomon Brothers Non-US Gov't Bond Index.
(6) Because of the variation in fee calculations in Alternative Investments, only net returns will be shown until June of each year when actual cos